

Press Release

Necco Tools

February 01, 2022



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|---|-------------------|
| Bank Loan Ratings | 15.00 | ACUITE BB Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 15.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuité has reaffirmed the long-term rating of 'ACUITE BB' (read as ACUITE double B) on the Rs. 15.00 crore bank facilities of Necco Tools. This rating is flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Necco Tools (NT) was established in 1981 by Mr. K Nelson in Chennai and is engaged in the manufacturing of sheet metal components namely radiators, generator parts, starter parts, press tools, gauges and other automobile components (machined components and sub- assemblies) which are primarily used in the automobile industry and electrical companies.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. This rating is therefore being flagged as "Issuer not- cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/ industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook

Not Applicable

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|-------------------------------|
| 26 Nov 2020 | Term Loan | Long Term | 6.50 | ACUITE BB Stable (Assigned) |
| | Secured Overdraft | Long Term | 8.50 | ACUITE BB Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|----------------------|----------------|-------------------|-------------------------|--------------------|----------------------|--------------------------|---|
| Canara Bank | Not Applicable | Overdraft | Not Applicable | Not Applicable | Not Applicable | 8.50 | ACUITE BB Reaffirmed Issuer not co-operating* |
| Canara Bank | Not Applicable | Term Loan | 01-06-2020 | 10 | 31-05-2023 | 6.50 | ACUITE BB Reaffirmed Issuer not co-operating* |

Contacts

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About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,850 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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